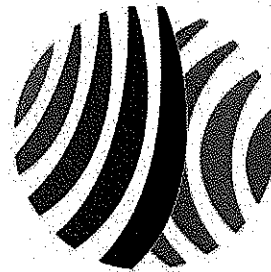

Johnson Controls

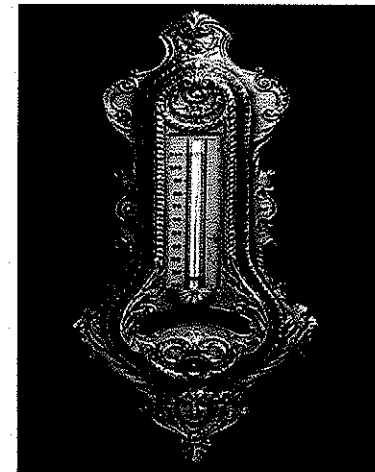
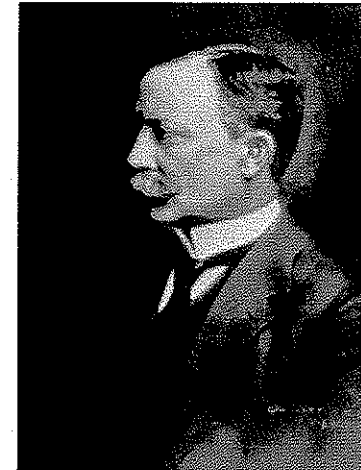


A Company Overview

Company history

Warren Johnson, inspired the future, building a company eager to explore new ideas and enter new fields

- **1883** – Warren Johnson invented the first electric room thermostat
- **1885** – Johnson forms the Johnson Electric Service Company in Milwaukee, Wisconsin
- **1887** – First dividend paid
- **1965** – Johnson Service Company stock is listed for the first time on the New York Stock Exchange
- **1978** – Globe-Union is acquired, to enter the automotive battery industry
- **1985** – Hoover Universal is acquired, to join the automotive seating industry
- **2005** – York International is acquired to become the largest building services provider in the world
- **2010** – Celebrates 125 years of making customers successful, and 123 years of consecutive dividend payments



**TODAY: Johnson Controls employs over 154,000 people worldwide with
more than 10,000 employees in Michigan**

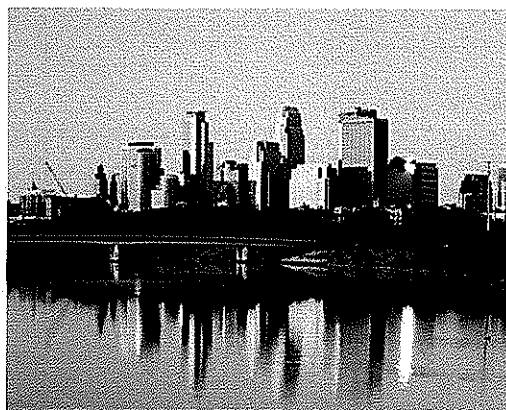
A \$40.8 billion diversified multi-national company

Automotive Experience



A global leader in automotive seating, overhead systems, door and interior electronics.

Building Efficiency



Products and services that optimize energy use, and improve comfort and security for buildings.

Power Solutions



Lead acid automotive batteries and lithium-ion hybrid and electric battery systems that make vehicles more energy efficient.

Power Solutions



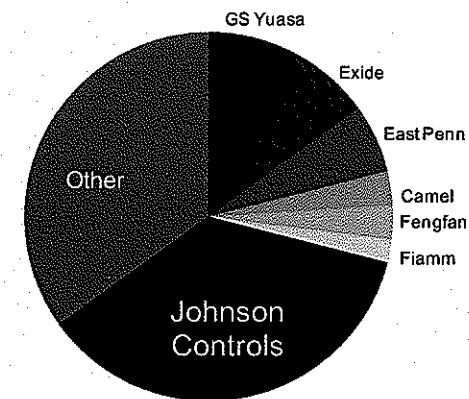
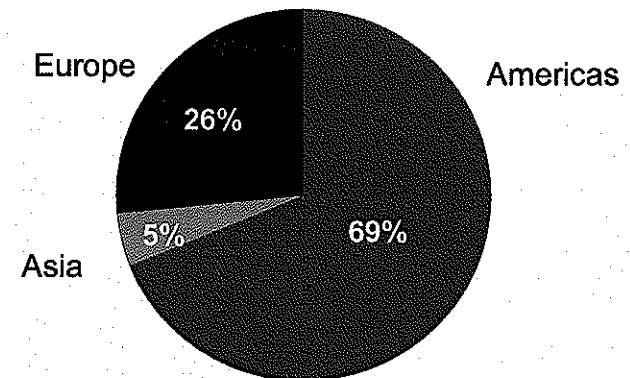
**Johnson
Controls**

Power Solutions overview

The world's largest provider of battery power solutions for the vehicle original equipment and aftermarket

- World-class customer base in the automotive aftermarket
- Original equipment (OE) batteries for the top automakers worldwide
- Leader in advanced battery technologies
 - AGM batteries for Start-Stop vehicles
 - First-to-market provider of Li-Ion batteries for hybrid and electric vehicles
- 35 manufacturing facilities
- More than 13,000 employees
- In 2011, we will ship 129 Million lead acid batteries

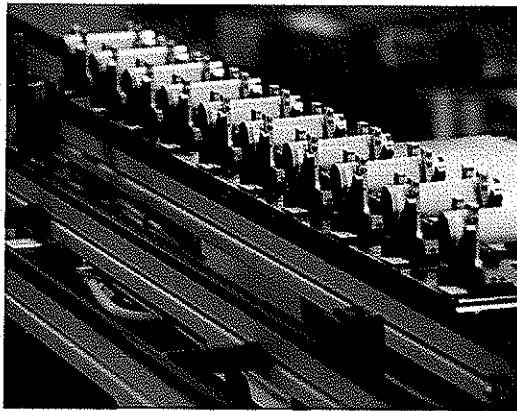
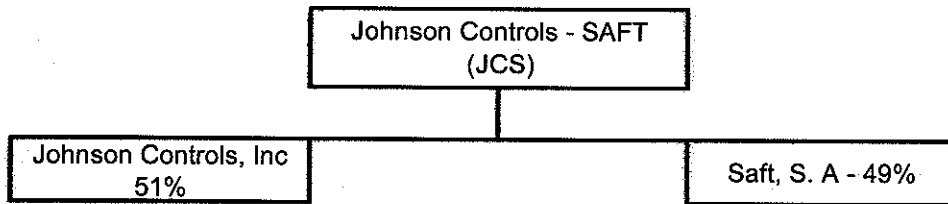
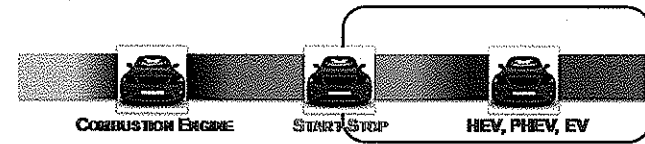
2011 sales
~\$6 B



Global Market Share: 36%

Seizing the Opportunity

Positioning for future technologies

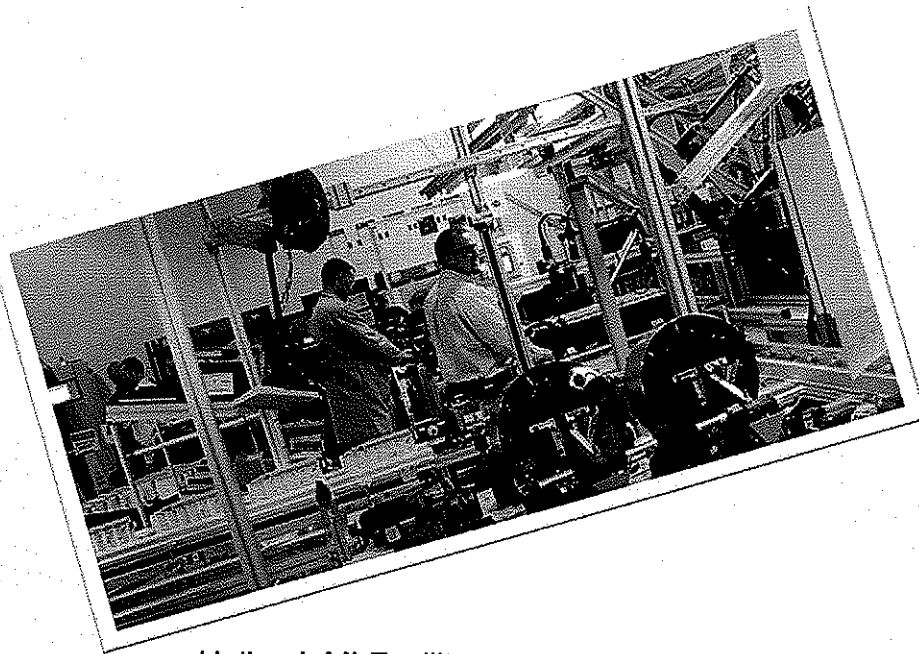
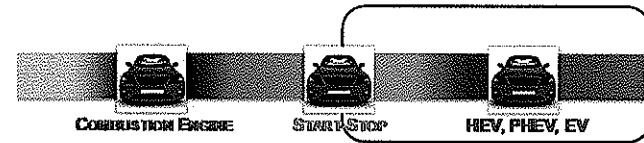


**Johnson Controls enters the
Li-ion advanced battery
business**

- January 2006, JCI forms a Joint Venture with Saft, S.A. (Johnson Controls – Saft) for the design and manufacture of Li-Ion batteries for Hybrid and Electric vehicles
- JCS opens 1st plant in France for small scale production
- During 2008/2009 JCS planning for global manufacturing expansion
- DOE Grant received in Fall 2009. Match grant up to \$600M gross.
- State of Michigan Incentives agreed to in Fall 2009 linked to MBT. \$189M over 15 years
- JCS establishes Michigan Entity in 2009
- JCS files separate tax returns from Johnson Controls

Seizing the Opportunity

Acquisition of Johnson Controls-Saft Joint Venture

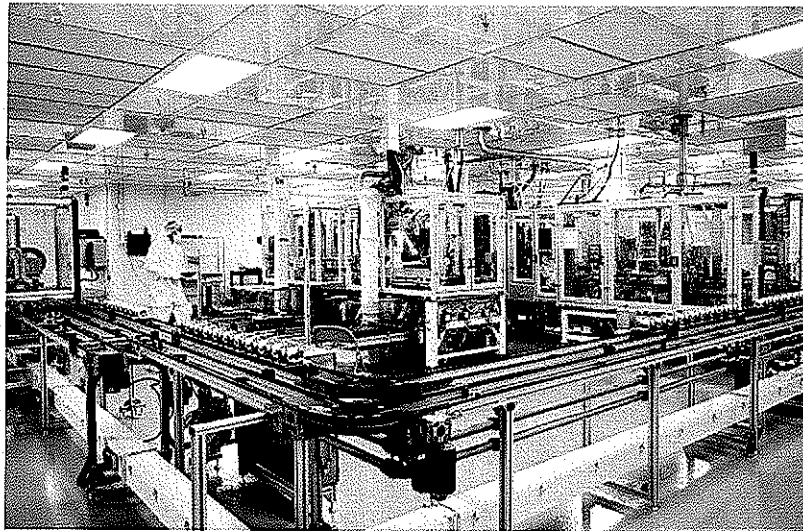
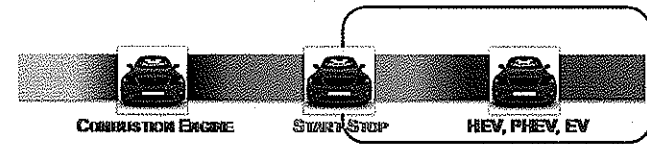


Holland, MI Facility

- On September 30, 2011, JCI acquired Saft's 49% ownership in JCS for \$145 million
- JCI retains government grants
- JCI retains the MI incentives
- Provides flexibility to broaden R&D, partnerships, and market participation within and beyond automotive energy storage

**Johnson Controls committed to market leadership
in the evolving advanced battery industry**

Unforeseen Implications of the Acquisition



Holland, MI Facility

Business Case for Michigan Investments no longer competitive vs. other locations

- JCI is planning to migrate to the CIT (unitary filing)
- As a result of the acquisition JCI and JCS can no longer bifurcate tax returns since JCS is now a consolidated entity
- Resulting in a loss of the State of Michigan incentives granted to JCS under the MBT regime and making JCS uncompetitive vs. our peers
- This loss of incentives reverses the business case for the LI-Ion manufacturing investments in Michigan

State of Michigan Tax Credits – Update

- JCI Power Solutions, the MEDC and the State of Michigan along with the Lt. Governor have successfully negotiated a voucher agreement worth a total of \$75M over 3 years starting in 2012 in lieu of the previously awarded incentives. **This is half the value of the original incentive package AND increases JCI headcount commitment by 100 employees. A win/win for the State of Michigan.**
- Steps to required to execute the agreement.
 1. Identify a vehicle Bill then draft and pass an legislative fix for the MBT issue.
 - ✓ Senate Bill No. 855 was passed and put into effect in December 2011. (Complete)
 2. Complete the execution contract with MEDC
 - ✓ Contract complete and reviewed and approved by the MEDC Board on February 14th. (Complete)
 - Begin voucher redemption process.
 3. CIT technical corrections Bill approval, which is what we are discussing today.
 - ✓ CIT Bill approved by the House Commerce Committee February 7th. (Complete)
 - ✓ CIT Bill approved by the House on February 15th. (Complete)
 - CIT Bill Senate Economic Development Committee approval (Not Yet Complete)
 - CIT Bill Senate Approval as soon as possible (Not Yet Complete)